



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

(IN REPLY REFER TO):

MP-3400
FIN-4.00

AUG 19 2013

To: Central Valley Project Water Contractors

Subject: Fiscal Year (FY) 2012 Central Valley Project (CVP) Annual Accounting Analysis for Irrigation and Municipal and Industrial Water Contractors and Allocation of Extraordinary Operation and Maintenance

Dear Water Contractor:

The CVP FY 2012 irrigation and municipal and industrial annual accounting is complete. Enclosed for your review is the annual accounting analysis (analysis) for your contract.

Part One of the Analysis

This section identifies:

- Water charges for the period October 2011 through September 2012 (FY 2012).
- Contractor's share of CVP operation and maintenance costs (O&M) – this amount includes FY 2012 extraordinary operation and maintenance costs.
- America Recovery and Reinvestment Act (ARRA) repayment – one-tenth of the contractor's share of these costs are included in the analysis. Please note: ARRA not paid will accrue interest.
- Water charges applied to outstanding deficit and construction obligations (if any).
- Contractor's surplus or deficit for FY 2012.

If your analysis shows a credit balance for Part One, then your contract has a deficit for this period. Deficits for O&M may be paid pursuant to the voluntary payment policy which can be found on the Bureau of Reclamation's website at <http://www.usbr.gov/mp/cvp/laws.html>. If the deficit is not paid, interest will accrue on the balance and a deficit component will be included in the future water rate to recover this obligation.

If your analysis shows a positive balance for Part One, then your contract has a surplus for this period, and you may be eligible for a refund. A refund is allowable for surplus amounts of \$1,000 or more. If the surplus amount is less than \$1,000, the amount will be applied based on Ratesetting policy. The Ratesetting policy can also be found on our website at <http://www.usbr.gov/mp/cvp/laws.html>.

Subject: Fiscal Year 2012 Central Valley Project Annual Accounting Analysis

2

Part Two of the Analysis

This section identifies:

- Water charges due for water delivered in FY 2012, and payments received.
- Applicable surcharges for water delivered in FY 2012, and payments received.
- Calculation of over/under payment (if any) of water charges and surcharges.

Detailed payment information is shown in the enclosed payment analysis, including the check number, payment total, and how payment was applied to charges. If your analysis shows an underpayment of charges, this indicates that your charges have not been fully paid as required by the provisions of the water service contract. Underpayment of charges identified in the enclosed analysis is due within 30 days of this letter. If not paid within 30 days, interest and penalties will be applied to the amount due.

If your analysis shows an overpayment of charges, this indicates that water charges were paid as required by the provisions of the water service contract and the overpayment can be applied to other outstanding obligations, future water charges, or refunded. Please notify Reclamation within 30 days regarding how you would like your overpayment applied. If no notification is received within 30 days, overpayments will be applied based on Ratesetting policy. Overpayments for Central Valley Project Improvement Act (CVPIA) charges may only be applied toward future CVPIA charges.

Payments for underpaid water charges and voluntary payments of deficit, if applicable, should be made within 30 days from the date of this letter. Please send payment and a copy of this analysis to:

Bureau of Reclamation
Mid-Pacific Region
PO Box 301502
Los Angeles, CA 90030-1502

If you have any questions please contact Mr. Sabir Ahmad at 916-978-5187, by e-mail at sahmad@usbr.gov, or by fax at 916-978-5176.

Sincerely

BRENDA BRYANT
Brenda Bryant
Regional Financial Manager

Enclosure

bc: NCAO-440 (RRobertson), CCAO-405 (LBillingsley), SCCAO-440 (RBallow)